

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:309

ANSWERED ON:16.07.2002

SETTING UP OF COMMITTEE TO REDUCE COST OF CHEMICAL UNITS

BHUPENDRASINH PRABHATSINH SOLANKI

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether any committee has been set up to suggest ways and means to reduce the cost of chemical units;
- (b) if so, whether the said committee has since submitted its report;
- (c) if so, the details thereof and the time by which it is likely to be implemented; and
- (d) if not, the time by which the committee is likely to submit its report?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR)

(a) to (d): A Task Force on Chemical Industry was set up under the Chairmanship of Dr. A.S. Ganguly, Chairman, ICI India Limited to study various facets of the chemical industry and major policy issues and make recommendations for enhancing its competitiveness and growth. The Task Force has submitted its report. In its report, the Task Force has inter-alia mentioned that the Indian Chemical Industry is facing some handicaps. To limit the adverse impact of these handicaps, the Task Force suggested measures that include development of clusters of existing units in the form of 'Chemical Industry Parks' to synergize value chains and to reduce costs of common facilities; cross Subsidies on cost of Electricity be removed; industries be allowed to sell Cogenerated Power to neighbouring units and not be required to transfer the same to the SEB grids; improve the infrastructure in Ports and Surface Transport to reduce costs due to delays in transportation and demurrage incurred in clearing of shipments; and develop Ports especially in Maharashtra and Gujarat for handling and storage of bulk Parcel cargo from Supertankers.

Many of the recommendations/suggestions made in the report require wider Inter- Ministerial consultations as well as detailed consultation with State Governments and Industry Associations. This process of consultation is being initiated.